

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-64798; File No. SR-NSCC-2011-05)

July 1, 2011

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Fees Associated with the Obligation Warehouse Service

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> notice is hereby given that on June 20, 2011, the National Securities Clearing Corporation (“NSCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change described in Items I and II below, which items have been prepared primarily by NSCC. NSCC filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>2</sup> and Rule 19b-4(f)(2) thereunder<sup>3</sup> so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the rule change from interested parties.

I. Self-Regulatory Organization’s Statement of Terms of Substance of the Proposed Rule Change

The proposed rule change will revise NSCC’s trade recording and recording service fees related to the new Obligation Warehouse service.

II. Self-Regulatory Organization’s Statement of Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, NSCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>3</sup> 17 CFR 240.19b-4(f)(2).

change. The text of these statements may be examined at the places specified in Item IV below. NSCC has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of the proposed rule change is to revise NSCC's fee schedule (as set forth in Addendum A of NSCC's Rules and Procedures) to add fees for NSCC's Obligation Warehouse service, a new functionality that was designed to enhance and replace NSCC's legacy Reconfirmation and Pricing Service (RECAPS).<sup>4</sup> The Obligation Warehouse launched on March 4, 2011, and the fees included in this proposed rule change will be effective on July 1, 2011.

The proposal includes fees for: (1) warehousing of each compared item; (2) matching of each submission; (3) each pending comparison advisory (aged days two through four); (4) each pending comparison advisory (aged five days or more); (5) closure and delivery of an item to CNS; (6) withholding of closure and delivery of an item to CNS; (7) applying mandatory corporate action events to compared obligations; (8) delivery notification request advisories informing a party to an Obligation Warehouse obligation that the submitting party has acknowledged that obligation has settled (aged two days or older); (9) pending cancel request advisories requesting that a previously compared Obligation Warehouse obligation be cancelled(aged two days or older); and (10) each obligation closed per RECAPS cycle. The fee for each pending comparison advisory (aged five days or more) will be implemented in a tiered, phased-in manner over the course of six months as Members become familiar with the functionality of the Obligation Warehouse. Details regarding all fee changes mentioned above

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<sup>4</sup> Securities Exchange Act Release No. 63588 (Dec. 21, 2010), 75 FR 82112 (Dec. 29, 2010).

are available in the revised Addendum A set forth in Exhibit 5 to NSCC's rule filing, which can be found on NSCC's website ([http://www.dtcc.com/legal/rule\\_filings/nscc/2011.php](http://www.dtcc.com/legal/rule_filings/nscc/2011.php)).

B. Self-Regulatory Organization's Statement on Burden on Competition

NSCC does not believe that the proposed rule change will have any impact or impose any burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

NSCC has not solicited or received written comments relating to the proposed rule change. NSCC will notify the Commission of any written comments it receives.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>5</sup> and Rule 19b-4(f)(2)<sup>6</sup> because the proposed rule change establishes or changes a due, fee, or other charge applicable only to a member. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

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<sup>5</sup> Supra note 2.

<sup>6</sup> Supra note 3.

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>) or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. SR-NSCC-2011-05 on the subject line.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File No. SR-NSCC-2011-05. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filings also will be available for inspection and copying at NSCC's principal office and NSCC's website ([http://www.dtcc.com/legal/rule\\_filings/nscc/2011.php](http://www.dtcc.com/legal/rule_filings/nscc/2011.php)). All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All

submissions should refer to File No. SR-NSCC-2011-05 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

Cathy H. Ahn  
Deputy Secretary

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<sup>7</sup> 17 CFR 200.30-3(a)(12).